



United States  
Department of  
Agriculture

Farmers  
Home  
Administration

Washington  
D.C.  
20250

FmHA AN No. 2197 (1924)  
December 19, 1990

SUBJECT: Providing Supervised Credit to Farmer Programs  
Borrowers

TO: State Directors, District Directors and County  
Supervisors

ATTENTION: Farmer Programs Chiefs

PURPOSE/INTENDED OUTCOME:

The purpose of this Administrative Notice (AN) is to emphasize the role of County Supervisors in providing supervised credit to Farmer Programs borrowers. State Directors are responsible for ensuring that an effective supervisory credit program is carried out. The intended outcome is to emphasize the Agency's responsibility to provide guidance and counseling to borrowers so as to improve their chances for success.

COMPARISON WITH PREVIOUS AN:

No previous AN has been issued on this subject.

IMPLEMENTATION RESPONSIBILITIES:

FmHA Instruction 1924-B, Sections 1924.56 and 1924.59, addresses the responsibilities of the County Supervisor in providing supervisory assistance to Farmer Programs borrowers to enhance their opportunities for success. County Supervisors are responsible for working with borrowers in the identification of areas in their operations that need change or improvement and identify resources available for additional assistance.

A major part of supervisory assistance is related to planning, financial and production analysis, prudent use of credit, and assisting in making profitable adjustments in borrowers operations. This includes recommending sources of available

EXPIRATION DATE: December 31, 1991

FILING INSTRUCTIONS:  
Preceding FmHA  
Instruction 1924-B



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credit, general conditions under which such credit is available, methods of developing and presenting requests for credit to other lenders, keeping and analyzing farm records, identification of credit needs and counseling on the risks of excessive debt.

Supervised credit is the development of a consultive relationship with borrowers. Regular farm and family visits are an essential part of an effective supervised credit program.

Supervised credit today must focus primarily on financial management. Also, FmHA has a responsibility to assist borrowers in obtaining technical assistance from other private and public sources as needed to enhance their opportunities for success. Borrowers experiencing production and management problems may need to be referred to the Extension Service, the Agricultural Stabilization and Conservation Service, the Soil Conservation Service, or other agencies or organizations in the area who can provide the needed assistance.

State Directors should carefully monitor the supervised credit programs being provided to borrowers to ensure that an effective supervised credit program is being carried out.



LA VERNE AUSMAN  
Administrator

Sent by Time Delay Option to States at 11:00am on 12/24/90; to Districts at 1:00pm on 12/24/90; and Counties at 3:00pm on 12/24/90 by ASD.